The Myanmar Investment Commission

PERMIT

Permit No. 365 / 2004 Date 4TH JUNE 2004.

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law

(a) Name of Promoter ~~MR. JO HAN JU~~ ~~MR. HAN [illegible]~~ MR. CHUNG DONG JI

(b) Citizenship KOREAN

(c) Address ~~[illegible]~~ MOKDONG TWINVILL D-1409, 905-22, MOKDONG YANGCHUN - GU, SEOUL, KOREA

(d) Name and address of principal organization STARNESIA CORPORATION, ROOM 1601, POONGLIM BLDG, 823, YEOKSAM DONG, KANGNAM-KU, SEOUL 135-784, KOREA

(e) Place of incorporation SEOUL, KOREA

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place (s) at which investment is permitted WARD(9), OAKTHA MYOTHIT, BAGO, INDUSTRIAL ESTATE, BAGO

(h) Amount of foreign capital US$ 5.0 MILLION (EQUITY US$ 5.0 MILLION)

(i) Period for bringing in foreign capital WITHIN 18 MONTHS FROM THE DATE OF PERMISSION

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 5.0 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANSTAR GARMENT COMPANY LIMITED.

Name of the [illegible] is [illegible] as [illegible] made Commission at its meeting [illegible] 2004 dated [illegible]5-2004.

(Sd) [illegible]
[illegible] General

Name of the [illegible] is [illegible] as per [illegible] by [illegible] at its [illegible] 6/2004 [illegible] 5.[illegible].2004.

(Sd) [illegible]
[illegible] GENERAL

Chairman
The Myanmar Investment Commission

(illegible faded Burmese heading)

MR.CHUNG DONG JIN

(က) ~~[illegible]~~

(ခ) KOREAN

(ဂ) ~~[illegible] DONG ... 345 — 706 ... DONG, ... GU, SEOUL, KOREA~~ MOKDONG TWINVILL D-1409, 905-22, MOKDONG YANGCHUN-GU, SEOUL, KOREA

(ဃ) STARNESIA CORPORATION, ROOM 1601, IYONGLIM BLDG, 8**, YEOKSAM DONG, KANGNAM-KU, SEOUL 135-784, KOREA

(င) SEOUL, KOREA

(စ) C M P [illegible]

(ဆ) [illegible]

(ဇ) [illegible]

(ဈ) [illegible]

(ည) [illegible]

(ဋ) [illegible]

MYANSTAR GARMENT COMPANY LIMITED.

(၂၀-၇-၂၀၀၄) [illegible] (၁၇/၂၀၀၄) [illegible]

(ဒါရိုက်တာ)

(၁-၂-၂၀၀၅) [illegible] (၆/၂၀၀၅) [illegible]

(ဒါရိုက်တာ)

[illegible]

GOVERNMENT OF THE UNION OF MYANMAR
MYANMAR INVESTMENT COMMISSION
653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/517/2001 (2602)
Dated 4th July 2001.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garments on CMP Basis" under the name of "Myanstar Garment Co., Ltd.".

Reference: Ministry of Industry (1) Letter No. 25/1 Sa Ba Na (Rent) dated 26-3-2001.

1. The Myanmar Investment Commission, at its meeting 12/2001 held on 26-4-2001 had reviewed the proposal for investment in "Manufacturing of Garments on CMP Basis" under the name of "Myanstar Garment Co., Ltd." submitted by Starnesia Corporation of Korea as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 24/2001 held on 21-6-2001 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 15(Fifteen) years from the date of signing of the Lease Agreement and extendible for another 5 (Five) years each upon mutual agreement between Myanma Textile Industries and Myanstar Garment Co., Ltd. At the end of the Lease period, Myanstar Garment Co., Ltd. shall transfer the leased land together with all constructed buildings, refurbishing and extensions on the lease property to Myanma Textile Industries without any consideration within 3(Three) months in good conditions, ground damages having been refilled or repaired.

4. The annual rent shall be calculated at the rate of US $ 2.70 (United States Dollars Two and Seventy Cents Only) per square meter per annum for the project area of 7.117 acres (28800 square meter) to the amount of US $ 77760 (United States Dollars Seventy Seven Thousand, Seven Hundred and Sixty Only). The rent shall be revised in view of prevailing annual rent after every 5(Five) years period and the rate of increase in the rent shall not be more than 15 (Fifteen) percent of the preceding annual rent.

5. Myanstar Garment Co., Ltd shall provide a Performance Bank Guarantee to the amount of US $ 125,000 (United States Dollars One Hundred and Twenty Five Thousand Only) in favour of Myanma Textile Industries within 30(Thirty) days after the signing of the One Hundred Percent Foreign Investment Contract.

6. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to 36(Thirty Six) months starting from the month of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanstar Garment Co., Ltd shall apply for such exemption only after 3-years tax holiday period.

(c) As per Section-21(c), Myanstar Garment Co., Ltd shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanstar Garment Co., Ltd shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance, following 3-years tax holiday period.

(e) As per Section-21(e), Myanstar Garment Co., Ltd shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanstar Garment Co., Ltd shall apply, upon actual performance of such research and development programme, only after 3-years tax holiday period.

(h) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanstar Garment Co., Ltd shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such import shall be subject to the approval endorsed by the Ministry of Industry (1).

7. Myanstar Garment Co., Ltd shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with Myanma Textile Industries . After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

8. Myanstar Garment Co., Ltd in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Myanstar Garment Co., Ltd shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

10. The official date of operation shall be reported to the Commission.

11. Myanstar Garment Co., Ltd shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanstar Garment Co., Ltd shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

14. Whenever Myanstar Garment Co., Ltd brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. NaYa- 9/101/92(416) dated 3-12-92 [Annexure(1)]

16. Myanstar Garment Co., Ltd shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Myanstar Garment Co., Ltd shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Myanstar Garment Co., Ltd shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-years operation period.

19. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanstar Garment Co., Ltd.

20. Myanstar Garment Co., Ltd in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Mr. Jo Han Ju
Starnesia Corporation

c/o Managing Director
Myanma Textile Industries

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Industry (1)
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank

20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

ကုမ္ပဏီမှတ်ပုံတင်လက်မှတ်

Certificate of Incorporation

မြန်စတားဂါမန့် ကုမ္ပဏီ လီမိတက်

MYANSTAR GARMENT COMPANY LIMITED

Company Registration No. [illegible]

မြန်မာနိုင်ငံကုမ္ပဏီများအက်ဥပဒေ ၁၉၁၄ ခုနှစ် အရ

မြန်စတားဂါမန့် ကုမ္ပဏီ လီမိတက်

အား ၂၀၀၁ ခုနှစ် ဩဂုတ်လ ၃ ရက်နေ့တွင်

အစုရှယ်ယာအားဖြင့် တာဝန်ကန့်သတ်ထား သည့် အများနှင့်မသက်ဆိုင်သောကုမ္ပဏီ

အဖြစ် ဖွဲ့စည်းမှတ်ပုံတင်ခွင့် ပြုလိုက်သည်။

This is to certify that

MYANSTAR GARMENT COMPANY LIMITED

was incorporated under the Myanmar Companies Act 1914 on 3 August 2001 as a Private Company Limited by Shares.

ကုမ္ပဏီမှတ်ပုံတင်အရာရှိ

Registrar of Companies

ရင်းနှီးမြှုပ်နှံမှုနှင့် ကုမ္ပဏီများညွှန်ကြားမှုဦးစီးဌာန

Directorate of Investment and Company Administration

Former Registration No. 28FC/2001-2002